

Message Text

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DEPT PASS ALL NATO CAPITALS

E.O. 11652: GDS

TAGS: PFOR, NATO

SUBJ: NATO SUMMIT: MAY 30 RESTRICTED SESSION

1. SUMMARY: ALLIED LEADERS MET IN SUMMIT SESSION OF THE NORTH ATLANTIC COUNCIL IN BRUSSELS MAY 29-30 REAFFIRMED THEIR COMMITMENT TO ALLIANCE AND REVIEWED IN DETAIL A VARIETY OF CURRENT ISSUES. PRESIDENT FORD SET FRAMEWORK FOR DISCUSSION BY STRONG RESTATEMENT OF US DEDICATION TO EUROPEAN AND ATLANTIC SECURITY, BY DEFINITION OF PROBLEMS WHICH ALLIES MUST FACE, AND THROUGH SUGGESTIONS FOR SIX-POINT PROGRAM TO DEAL WITH THEM. CANADIAN PRIME MINISTER TRUDEAU, WITH PRESIDENT FORD'S SUPPORT, URGED ANNUAL MEETING OF ALLIED LEADERS (SEE SEPTTEL), WITH FRENCH FONMIN RESERVING POSITION. BOTH GREEK AND TURKISH PRIME MINISTERS ACKNOWLEDGED DIFFICULTIES WHICH EXIST IN RELATIONS BETWEEN THEIR TWO COUNTRIES AND EXPRESSED HOPE THAT SOME PROGRESS CAN BE MADE THROUGH MEETINGS SUCH AS THEY PLAN FOR
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MAY 31. PRIME MINISTER GONCALVES AFFIRMED PORTUGAL'S

FIDELITY TO NATO WHILE INSISTING ON HIS COUNTRY'S RIGHT TO CARRY ON ITS INDEPENDENT FOREIGN POLICY. CHANCELLOR SCHMIDT PRESCRIBED THREE-POINT ECONOMIC PROGRAM FOR ALLIES TO FOLLOW. IN HIS SUMMARY, LUNS NOTED THAT NO ALLY CONTESTED IMPORTANCE OF US-SPANISH BILATERAL ARRANGEMENTS TO NATO DEFENSE, THOUGH ASSOCIATION WILL HAVE TO AWAIT DEMOCRATIC EVOLUTION IN SPAIN. FINAL COMMUNIQUE (TEXT SEPTTEL) TOUCHED ON MAIN THEMES OF PRESIDENT'S STATEMENT AND CONCLUDED WITH PLEDGE TO ENHANCE EFFECTIVENESS AND VITALITY OF WORK WITHIN ALLIANCE.

2. SYG LUNS OPENED MEETING BY RECALLING VALUABLE BRIEFING OF COUNCIL PROVIDED BY ADMIRAL HILL- NORTON AND PRESIDENT FORD'S "ELOQUENT" REMARKS IN THE OPENING SESSION, MAY 29. LUNS URGED INTERCHANGE OF IDEAS AND IDENTIFIED AS THE PRINCIPAL OBJECTIVE OF THE SUMMIT THE DEMONSTRATION OF ALLIANCE SOLIDARITY.

3. FRG: CHANCELLOR SCHMIDT WELCOMED PRESIDENT FORD'S ASSURANCES THAT US COMMITMENTS TO THE ALLIANCE ARE FIRM AND THAT US WILL NOT REDUCE UNILATERALLY ITS TROOPS IN EUROPE. TURNING TO THE PROBLEM OF THE WEAKENED SOUTHERN FLANK, HE NOTED THAT GREECE AND TURKEY MAY JEOPARDIZE THEIR OWN SECURITY IF THEY CANNOT HARMONIZE THEIR PARTICULAR INTERESTS. HE WELCOMED RENEWED PORTUGUESE COMMITMENT TO ALLIANCE, BUT SAID THAT WHILE HE UNDERSTOOD THAT DEMOCRATIC STRUCTURES CANNOT BE BUILT OVERNIGHT, IT IS OBVIOUS THAT A NON-DEMOCRATIC DEVELOPMENT COULD CREATE PROBLEMS WITHIN COMMUNITY AND LEAD TO A SITUATION INCOMPATIBLE WITH MEMBERSHIP IN THE ALLIANCE.

4. SCHMIDT THEN DEVOTED BULK OF HIS REMARKS TO ECONOMIC PROBLEMS. HE WARNED THAT CURRENT ECONOMIC PROBLEMS NOT ONLY AFFECTED THE ABILITY OF SOME ALLIES TO KEEP THEIR COMMITMENTS TO THE ALLIANCE, BUT MOST IMPORTANTLY, COULD LEAD TO SOCIAL UNREST AND POLITICAL INSTABILITY. SOME COUNTRIES WERE CLOSER TO DEPRESSION THAN RECESSION, HE SAID, AND SUGGESTED

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FOUR AREAS OF COOPERATIVE ACTION TO COMBAT THE ECONOMIC PROBLEMS.

5. FIRST, SCHMIDT ADVOCATED A CREDIT POLICY IN THE FORM OF COOPERATIVE FURTHER REDUCTION, ESPECIALLY OF LONG TERM INTEREST RATES. SECOND, HE URGED ALLIES TO CONTINUE TO AVOID NATIONAL RESTRICTIONS ON INTERNATIONAL TRADE OR ANY REVIVAL OF PROTECTIONISM,

AND SAID THAT THE OECD TRADE PLEDGE MUST BE CONTINUED. THIRD, SCHMIDT WARNED THAT NATIONS MUST NOT OVERLOOK THE DANGERS OF RENEWED INFLATION IN THEIR FIGHT AGAINST RECESSION. HE DESCRIBED, AS URGENT TASKS THE CURBING OF COST INCREASES, MODERATION OF WAGE CLAIMS AND THE CREATION OF ADEQUATE PROFITS TO FINANCE REAL INVESTMENT. IN THIS REGARD HE CALLED UPON TRADE UNIONS TO DISCIPLINE THEIR DEMANDS. FOURTH, SCHMIDT SAID ALLIES MUST CONSIDER ECONOMIC RELATIONSHIPS WITH NATIONS OUTSIDE THE ALLIANCE, AND URGED A RECONVENING OF THE PRODUCERS-CONSUMERS CONFERENCE THAT RECENTLY ADJOURNED WITHOUT SUCCESS IN PARIS. HE SAID THAT WE MUST BE FLEXIBLE IN OUR NEGOTIATIONS WITH THESE LESS DEVELOPED NATIONS, AND FAVORED EXPLORING HOW THE IMF AND WORLD BANK COULD CONTRIBUTE MORE EFFECTIVELY IN SOLVING INTERNATIONAL PROBLEMS. SCHMIDT SUGGESTED USING IMS GOLD TO STABILIZE PROCEEDS OF CERTAIN RAW MATERIALS AND ALSO SUGGESTED A FAIRER SHARING OF RESPONSIBILITIES AMONG THE PARTNERS OF THESE INSTITUTIONS IN VIEW OF THE NEW INCREASED INTERNATIONAL ECONOMIC IMPORTANCE OF SOME OF THEM.

6. SCHMIDT CONCLUDED THAT THE ALLIANCE TODAY WAS NOT SO MUCH THREATENED IN A SPECIFIC GEOGRAPHICAL AREA AS BY THE STATE OF THE WORLD ECONOMY.

7. U.K.: REFERRING TO THE PRESIDENT'S REAFFIRMATION OF AMERICA'S COMMITMENT TO NATO, PRIME MINISTER WILSON SAID THE UK HAD NEVER DOUBTED AMERICAN FIDELITY. ALL MEMBERS AGREE ON THE NECESSITY FOR NATO OF A CREDIBLE DEFENSE. HOWEVER, AN ADEQUATE DEFENSE DOES NO GOOD IF A NATION'S ECONOMY COLLAPSES. REFERRING
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TO THE STATEMENT BY THE PRESIDENT THAT THE ALLIES SHOULD DEAL WITH ISSUES OF ENERGY DEVELOPMENT AND RAW MATERIAL RESOURCES, WILSON NOTED THAT RISE IN OIL AND RAW MATERIAL PRICES HAD RESULTED IN SHARP REDUCTIONS IN GROWTH AND STANDARD OF LIVING. BY CONTRAST, SOVIETS AND THEIR ALLIES WERE LESS AFFECTED. USSR IS LARGEST OIL PRODUCER IN THE WORLD, CONTROLS INFLATION AND HAS NO CRITICAL ELECTORATE TO WORRY ABOUT. THE IMPLICATION OF THIS CONTRAST IS SIGNIFICANT FOR ALLIANCE TASKS. FACED WITH ECONOMIC DIFFICULTIES, NATO MUST IMPROVE ITS DEFENSE WITHOUT INCREASING EXPENDITURES. NATO MUST TAKE A NEW LOOK AT OLD PROBLEMS, CONCENTRATING ON RATIONALIZATION, SPECIALIZATION, STANDARDIZATION AND INTEROPERABILITY. THESE ARE EASY WORDS, HE NOTED, BUT DIFFICULT TO

TRANSLATE INTO DEEDS. ALLIES MUST OVERCOME NATIONAL
PREJUDICES AND INDUSTRIAL PROBLEMS. THE EUROGROUP
PROPOSAL FOR A TWO-WAY STREET IN ARMAMENTS DEVELOPMENT AND SALES
IS A STEP IN THE RIGHT DIRECTION. WILSON
RECOGNIZED THAT THE UK'S RECENT DEFENSE REVIEW WAS
NOT RECEIVED WITH ENTHUSIASM IN NATO, BUT SAID THAT
THE UK COULD NOT SPEND PROPORTIONATELY MORE FOR
DEFENSE THAN DO ITS MAJOR EUROPEAN ALLIES. BRITAIN
WOULD NOW CONCENTRATE ON COST EFFECTIVENESS, OFFERING
COMPENSATORY MEASURES ON MATTERS OF PARTICULAR CONCERN.
WITH THE REDUCTION OF BRITISH MILITARY DEPLOYMENT IN
ASIA, THE UK DEFENSE EFFORT IS PRIMARILY DIRECTED
TOWARDS ALLIANCE TASKS.

NOTE BY OC/T: PASSED ALL NATO CAPITALS.

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8. ON THE SOOUTHERN FLANK, WILSON SHARED THE
PRESIDENT'S OBSERVATION ON THE NEED TO RESOLVE
ALLIED DIFFERENCES THERE. HE SUGGESTED ALLIES COULD
OFFER POLITICAL ASSISTANCE BY STRESSING THE
IMPORTANCE OF POLITICAL COHESION ON THE SOUTHERN
FLANK. HMG WELCOMED THE DEVELOPMENT OF DEMOCRATIC
GOVERNMENTS LAST YEAR IN GREECE AND PORTUGAL WHICH

GAVE SUCH PROMISE FOR THE ADVANCEMENT OF HUMAN RIGHTS AND DIGNITY. HE HOPED THAT THE PRINCIPLES REAFFIRMED AT OTTAWA WOULD CONTINUE THROUGHOUT THE SECOND QUARTER CENTURY OF THE ALLIANCE.

9. REGARDING SPAIN, THE UK WILL BE IN FAVOR OF WELCOMING IT WHEN THE APPROPRIATE POLITICAL CHANGES OCCUR WHICH WILL ENABLE SPAIN TO MEET THE OBJECTIVES OF THE NORTH ATLANTIC TREATY AND OF THE OTTAWA DECLARATION. WHEN DEMOCRATIC GOVERNMENT IS RESTORED TO SPAIN, BRITAIN WILL BE THE FIRST TO WELCOME IT.

10. ANGLO-SOVIET RELATIONS ARE IN AN ENCOURAGING PHASE. ALTHOUGH THE POLITICAL OBJECTIVES OF THE TWO
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COUNTRIES DIFFER, IT IS POSSIBLE TO ACHIEVE IMPROVEMENTS AS OTHERS IN NATO HAVE DONE. WILSON BELIEVES THE SOVIET COMMITMENT TO DETENTE IS STRONG BUT THEIR TACTICS DIFFER. IT IS IMPORTANT FOR THE ALLIES TO AGREE ON POST-CSCE STRATEGY. WILSON SUGGESTED THREE ALLIANCE DETENTE OBJECTIVES: 1) TO INSURE THAT THE SOVIETS UNDERSTAND THE CONSTRAINTS IMPOSED BY DETENTE; 2) TO MAKE THE BEST USE OF CSCE RESULTS; IT IS IMPORTANT FOR THE WEST TO TAKE THE INITIATIVE ON MATTERS OF INTEREST TO THE WEST; 3) TO MAKE PLAIN TO THE USSR THAT THE NEXT ITEM ON THE DETENTE AGENDA IS SUBSTANTIAL PROGRESS IN MBFR. THE ALLIANCE MUST SHOW THAT IT IS AS MUCH A FORCE FOR DETENTE AS DEFENSE. IT IS ESSENTIAL FOR NATO TO TAKE THE POLITICAL LEAD IN BUILDING DETENTE, FORCING THE SOVIETS TO REPLY TO ALLIED INITIATIVES.

11. ON NPT, BRITAIN HAD HOPED TO STRENGTHEN CONFIDENCE IN THE TREATY AND TO ATTRACT NEW PARTIES. THE UK IS GRATIFIED THAT FIVE NEW PARTIES RATIFIED THE NPT BEFORE THE REVIEW COMMITTEE CONVENED.

12. REFERRING TO THE COMMONWEALTH CONFERENCE IN KINGSTON EARLIER IN MAY, WILSON WAS STRUCK BY THE COMMUNITY OF INTEREST OF THESE 33 SELF-GOVERNING STATES FACING HIGH RISE IN THE PRICE OF PRIMARY COMMODITIES. THOSE WHO HAVE SUFFERED THE MOST AMONG THE LDCS ARE THE NON-OIL PRODUCERS. THE UK HOPES FOR STEADY PROGRESS ON A COMMODITY-BY-COMMODITY BASIS LEADING TO AN IMPROVED ECONOMIC FRAMEWORK FOR RELATIOS BETWEEN LDCS AND DEVELOPED COUNTRIES.

13. GREECE: PRIME MINISTER CARAMANLIS SAID FACT SUMMIT HARDLY A YEAR AFTER OTTAWA DECLARATION,

SHOWS NEED TO TAKE STOCK OF THE STATE OF THE ALLIANCE, TO FIND ITS WEAK SPOTS AND, IF POSSIBLE, TO TRACE ALLIANCE COURSE INTO THE FUTURE. HE SAID THAT CHANGE IN THE WORLD BALANCE DURING THE LAST YEAR HAS BEEN DETRIMENTAL TO WEST.

14. TURNING TO RELATIONS WITH TURKEY, CARAMANLIS
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REHEARSED ORIGIN OF 1974 CYPRUS CRISIS AS SEEN FROM ATHENS' PERSPECTIVE. HE CONCLUDED THAT AS A RESULT OF NATO'S INACTION ("ENTRENCHED BEHIND LEGAL FORMULAE") IN FACT OF SITUATION INTOLERABLE TO GREECE, NATO'S PRESTIGE AND CREDIBILITY WERE PROFOUNDLY SHAKEN IN THE EYES OF THE GREEK PEOPLE.

15. GREECE'S WITHDRAWAL FROM THE MILITARY ORGANIZATION OF NATO DOES NOT MEAN THAT GREECE WILL FAIL TO RESPECT THE OBLIGATIONS UNDERTAKEN WHEN SHE BECAME A PARTY TO THE NORTH ATLANTIC TREATY, CARAMANLIS SAID. IT SIMPLY MEANS THAT GREECE BELIEVES IT HAS NOW BECOME NECESSARY TO READJUST HER RELATIONSHIP WITH THE MILITARY ORGANIZATION OF THE ALLIANCE, AN ACTION WHICH SHE INTENDS TO UNDERTAKE AFTER CONSULTATION WITH HER PARTNERS. IT ALSO MEANS, HE SAID, THAT IF THE REASONS WHICH LED TO GREECE'S WITHDRAWAL FROM THE ALLIANCE DISAPPEAR, IF THE MEMBERS OF THE ALLIANCE WERE TO CONTRIBUTE TO THE RAPID AND JUST SETTLEMENT OF GREEK-TURKISH DISPUTES, GREECE COULD RECONSIDER HER POSITION TOWARD NATO.

16. LOOKING AHEAD, CARAMANLIS SAID THAT ONLY DEEDS CAN ASSURE A NEW BEGINNING IN ITS RELATIONS WITH TURKEY. HE EXPRESSED HOPE FOR PROGRESS AS A RESULT OF HIS MEETING WITH DEMIREL ON MAY 31.

17. PORTUGAL: PRIME MINISTER GONCALVES SAID HIS GOVERNMENT WISHED TO ESTABLISH NORMAL RELATIONS WITH ALL GOVERNMENTS, REGARDLESS OF IDEOLOGY. HE SAW PORTUGAL'S RECENT OPENING OF TIES WITH EAST EUROPEAN AND THIRD WORLD COUNTRIES AS AN IMPORTANT CONTRIBUTION TO DETENTE. BY ESTABLISHING RELATIONS WITH THE SOVIET UNION AND WESTERN EUROPE, HE ADDED, PORTUGAL WAS DOING NO MORE THAN WHAT OTHER ALLIED COUNTRIES HAD DONE.

18. GONCALVES CONTINUED THAT IN ITS FOREIGN POLICY HIS COUNTRY HAD DONE NOTHING TO WEAKEN ITS COMMITMENT TO NATO AND IT WISHES TO REMAIN IN THE ALLIANCE. HE SAID THAT WHILE REMAINING IN NATO HIS COUNTRY INTENDS

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TO CONDUCT AN INDEPENDENT FOREIGN POLICY WITH RELATIONS WITH ALL COUNTRIES, ADDING THAT THERE IS NO INCOMPATIBILITY BETWEEN SUCH AIMS AND LOYALTY TO THE ALLIANCE. TO BOLSTER HIS POINT, GONCALVES QUOTED FROM ARTICLE 12 OF THE OTTAWA DECLARATION ABOUT THE "PURSUIT OF UNDERSTANDING AND COOPERATION WITH EVERY EUROPEAN COUNTRY."

19. THE PORTUGUESE PRIME MINISTER SAID HIS COUNTRY WAS FOLLOWING THE SALT, CSCE AND MBFR NEGOTIATIONS WITH GREAT INTEREST AND HOPES FOR RAPID PROGRESS WHICH WOULD ALLOW THE DISMANTLING OF THE BLOCS PRESENTLY CONFRONTING EACH OTHER IN EUROPE.

20. RETURNING TO NATO AFFAIRS, GONCALVES SAID THAT LOYALTY TO NATO COMMITMENTS WAS ONE OF THE PRINCIPLES PROCLAIMED BY THE AFM IN THE EARLY HOURS OF THE PORTUGUESE REVOLUTION AND THE NATO ALLIES SHOULD NOT DOUBT THAT LOYALTY; THE PRIME MINISTER'S PRESENCE AT THE SUMMIT WAS A GUARANTEE OF THAT LOYALTY.

21. CONTINUING ON THIS THEME, THE PRIME MINISTER SAID THAT "IN CERTAIN INTERNATIONAL CIRCLES" THERE HAS BEEN SPECULATION WHICH REVEALS APPREHENSION CONCERNING PORTUGAL'S POSITION WITHIN THE ALLIANCE. HE ADDED THAT "SUCH SPECULATION IS WITHOUT FOUNDATION AND STEMS FROM A GREAT LACK OF UNDERSTANDING ABOUT OUR REVOLUTIONARY PROCESS AND OUR GOALS OF NATIONAL INDEPENDENCE. ALLOW ME HERE AND NOW TO ASK MORE COMPREHENSION AND LESS APPREHENSION FOR MY COUNTRY."

22. THE PRIME MINISTER CONCLUDED BY NOTING THAT HE HAD HAD BILATERAL CONTACT DURING THE SUMMIT AND HOPED THAT THESE TALKS COULD CONTRIBUTE TO A CLEARER UNDERSTANDING OF PORTUGAL'S PROBLEMS.

NOTE BY OC/T: PASSED ALL NATO CAPITALS.

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23. ITALY: PRIME MINISTER MORO REFERRED FIRST TO THE INTERDEPENDENCE OF THE ALLIES FACED WITH PROBLEMS OF ENERGY, RAW MATERIALS AND FOOD SUPPLIES, ENVIRONMENTAL CHANGE AND ECONOMIC DEVELOPMENT. ALLIANCE CANNOT ACT AS A SIMPLE MILITARY ALLIANCE BUT WILL SURVIVE ONLY TO THE DEGREE THAT IT IS ABLE TO CONTRONT AND TO CONTROL CHANGE. THOSE TIES WHICH BIND THE ALLIES AND PERMIT PEACEFUL DEVELOPMENT CAN DOUBTLESS ALSO CONTRIBUTE TO THE BIRTH OF A MORE JUST INTERNATIONAL ORDER WHICH IN TURN WILL LAD TO A MORE SECURE WORLD.

24. A STRATEGY OF OPENNESS TOWARD THE OUTSIDE WORLD MUST ALSO MEAN ACCEPTANCE WITHIN THE ALLIANCE OF DIFFERENCES. THESE ENRICH RATHER THAN WEAKEN THE ALLIANCE.

25. MORO WELCOMED PRESIDENT FORD'S REAFFIRMATION OF COMMITMENT AND OF THE ROLE WHICH THE U.S. PLANS TO PLAY IN THE ALLIANCE. THE NEED FOR A EUROPEAN COMMITMENT EQUIVALENT TO THAT OF THE UNITED STATES
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CALLS FOR A MORE CONCRETE EUROPEAN DIMENSION WITHIN THE FRAMEWORK OF THE ALLIANCE. THE SIGNIFICANT EUROPEAN ROLE IN CSCE AND MBFR SHOULD BE NOTED IN THIS CONTEXT.

26. MORO URGED THAT EUROPEAN EFFORTS TO CREATE

WESTERN LINKS WITH THE ARABS BE NOTED. IN THE MEDITERRANEAN REGIONAL FRAMEWORK, ITALY IS PRESENT "ON THAT CHESSBOARD" AS AN ACTIVE AND SOLID FORCE OF THE ALLIANCE AND A FACTOR OF STABILITY.

27. TURNING TO ECONOMICS, MORO SAID THAT ITALY IS FACING THE NECESSARY SACRIFICES TO OVERCOME HER ECONOMIC DIFFICULTIES AND THE FIRST SIGNS OF RECOVERY CAN BE SEEN. WHILE ADAPTATION TO NEW REALITIES IS DIFFICULT, IT IS A SOURCE OF CONFIDENCE AND ENCOURAGEMENT THAT ITALY HAS BEEN ABLE TO REACT TO ADVERSITY WITHOUT CUTTING ITS MILITARY CONTRIBUTION TO THE ALLIANCE AND INDEED IS UNDERTAKING MODERNIZATION PROGRAMS FOR ITS MILITARY FORCES.

28. ON THE NPT, MORO COMMENTED THAT ITALY'S RECENT RATIFICATION OF THE NPT REPRESENTS NOT ONLY AN ASSUMPTION OF RESPONSIBILITY IN THE GENERAL FRAME WORK OF DETENTE, BUT ALSO AN ACT OF FAITH IN THE PERMANENT VALIDITY OF THE NUCLEAR RESPONSIBILITIES OF THE ALLIANCE AND IN PARTICULAR OF THE UNITED STATES TOWARD THE NON-NUCLEAR ATLANTIC COUNTRIES.

29. NORWAY: PRIME MINISTER BRATTELI SAID THAT WHEREAS THE SUMMIT A YEAR AGO WAS MAINLY CONCERNED WITH TRANSATLANTIC RELATIONS, ATTENTION TODAY IS DIRECTED TOWARD POLITICAL CONTENT, PURPOSE, AND PERSPECTIVE OF THE ALLIANCE. ALLIED DEFENSE EFFORTS AND CONSULTATIONS HAVE CREATED A REALISTIC BASIS FOR NEGOTIATIONS ON SECURITY AND COOPERATION IN EUROPE AND THE ALLIANCE HAS THUS BECOME AN ESSENTIAL INSTRUMENT OF DETENTE. IN THE FUTURE, THE ALLIES MUST FOCUS ON MAINTAINING BROAD PUBLIC SUPPORT FOR ALLIANCE.

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30. BRATTELI STRESSED THAT SECURITY AND COHESION DEPEND NOT ONLY ON MILITARY CAPABILITY BUT ALSO ON POLITICAL AND MORAL STRENGTH OF ALLIED SOCIETIES. HE WELCOMED EVENTS OF PAST YEAR WHICH RELIEVED ALLIANCE OF TWO TOTALITARIAN REGIMES AND THE LIABILITY OF AN ANACHRONISTIC COLONIAL POLICY WHICH HARMED NATO IMAGE. NORWAY HOPES IN YEARS AHEAD TO STRENGTHEN DEMOCRATIC GOVERNMENT AND RESPECT FOR HUMAN RIGHTS IN ALL ALLIED COUNTRIES. TO ESTABLISH A LINK BETWEEN NATO AND SPAIN IN PRESENT CIRCUMSTANCES WOULD BE STEP IN WRONG DIRECTION. BRATTELI HOPED SITUATION IN SPAIN WOULD UNDERGO DEMOCRATIC CHANGES. WHEN THIS HAPPENS, NORWAY WOULD BE INTERESTED IN DISCUSSING

CLOSER RELATIONS BETWEEN SPAIN AND WESTERN DEMOCRACIES.

31. TO MAINTAIN SUPPORT FOR ALLIANCE, BRATTELI SAID, ALLIES MUST CREATE ECONOMIC AND SOCIAL CONDITIONS WHICH RESPOND TO ASPIRATIONS OF MASSES WITHIN AND OUTSIDE ALLIANCE. CURRENT ECONOMIC CRISIS THREATENS PUBLIC CONFIDENCE IN ABILITY TO STEER SOCIETIES AWAY FROM CRISES WHICH IN PAST LED TO BREAKDOWN OF DEMOCRACY. OIL CRISIS AND INFLATION THREATEN STABILITY. ATTEMPT TO SOLVE INFLATION BY MEANS CREATING UNEMPLOYMENT IS UNACCEPTABLE TO DEMOCRATIC SOCIETIES.

32. TURKEY: PRIME MINISTER DEMIREL PAID TRIBUTE TO VALUABLE ROLE ALLIANCE HAS PLAYED IN THE SURVIVAL OF ITS MEMBERS. IT IS IMPERATIVE THAT EVERY MEMBER OF THE ALLIANCE LIVE UP TO ITS TREATY OBLIGATIONS AND MAINTAIN A CREDIBLE COMMON DEFENSE THROUGH SOLIDARITY AND MUTUAL AID. COMMENTING ON THE SUCCESSFUL ALLIANCE POLICY OF DEFENSE AND DETENTE, DEMIREL DEFINED DETENTE AS A TRANSITIONAL PERIOD BETWEEN THE COLD WAR AND AN ERA OF SOLID AND SECURE INTERNATIONAL ORDER. HOWEVER, THE ALLIES REMAIN FAR FROM THE REALITY OF THE DESIRED OBJECTIVE OF DETENTE, CANNOT BE CONFIDENT THAT IT WILL EVER BE REACHED, AND MUST RESIST TEMPTATION OF PROCEEDING TOO RASHLY.

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33. IN EVALUATING ALLIANCE DIFFICULTIES, DEMIREL ACKNOWLEDGED THAT DISPUTES AMONG ALLIES AFFECT THE COHESION OF THE ALLIANCE AND EVERY EFFORT SHOULD BE MADE TO RESOLVE THEM. HOWEVER, EUPHORIA AND LACK OF ENTHUSIASM FOR DEFENSE EFFORTS, "RELAXATION" OF MUTUAL AID AND SOLIDARITY HAVE NO LESS AN IMPACT ON COHESION AND STRENGTH.

34. DEMIREL WELCOMED PRESIDENT FORD'S STATEMENT ON MAY 29 REAFFIRMING US ADHERENCE TO ITS NATO COMMITMENTS. HOWEVER, DEMIREL OBSERVED THAT TURKEY IS BEING SUBJECTED TO AN ARMS EMBARGO (BY THE US) AT A TIME WHEN THE ALLIES ARE MEETING TO REAFFIRM THEIR SOLIDARITY. HE DESCRIBED SUCH ACTION AS SELF-DESTRUCTIVE IF ALLIES AGREE THAT COMMON THREAT CONTINUES TO EXIST AND SITUATION WHICH GAVE RISE TO NORTH ATLANTIC TREATY HAS NOT CHANGED.

35. TURNING TO RELATIONS WITH GREECE, DEMIREL AFFIRMED THAT TURKEY BELIEVES THAT FRIENDLY RELATIONS

ARE IN THE REAL INTEREST OF BOTH TURKEY AND GREECE AND OF THE ALLIANCE. HE SAID THAT TURKEY DEPLORES THE PRESENT STATE OF RELATIONS BETWEEN THE TWO COUNTRIES AND ASSURES THE ALLIANCE OF TURKEY'S DETERMINATION TO SOLVE EXISTING DIFFERENCES BY PEACEFUL MEANS AND MUTUAL CONTACTS. DEMIREL REPORTED TO THE ALLIES THAT HE WILL MEET WITH PRIME MINISTER CARAMANLIS ON SATURDAY, MAY 31, AND HOPED THAT HIS EFFORTS WILL PAVE THE WAY TO MORE UNDERSTANDING BETWEEN THE TWO COUNTRIES, AND, EVENTUALLY, TO A SOLUTION OF EXISTING PROBLEMS.

36. CANADA; PRIME MINISTER TRUDEAU REFERRED TO THE PARAGRAPH OF THE OTTAWA DECLARATION PROCLAIMING THE ALLIES' DEDICATION TO DEMOCRACY, RESPECT FOR HUMAN RIGHTS, JUSTICE AND SOCIAL PROGRESS. IN HIS VIEW, THAT PARAGRAPH SERVED TO DISTINGUISH THE NATO COUNTRIES FROM THOSE OF THE WARSAW PACT AND REPRESENTS THE FUNDAMENTAL STRENGTH OF THE ALLIANCE.

37. AT THE SAME TIME, DEMOCRACY AND FREEDOM CREATE
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PROBLEMS UNKNOWN TO THE SOVIET BLOC. WESTERN LEADERS, THE CANADIAN PRIME MINISTER CONTINUED, MUST BE ABLE TO PERSUADE THEIR ELECTORATES OF THE BENEFITS OF THE ALLIANCE IF THEY ARE NOT TO BE SWEEPED OUT OF OFFICE OR FORCED TO CHANGE THEIR POLICIES. UNLIKE THE WARSAW PACT, WESTERN LEADERS AND THEIR CONSTITUENTS INSIST ON THE RIGHT TO QUESTION THE ADVICE GIVEN THEM BY THE MILITARY.

38. WITHOUT COMMON RESOLVE AND FULL UNDERSTANDING OF THE ALLIANCE'S GOALS, PRIME MINISTER TRUDEAU CONTINUED, ALLIES CANNOT FORCE FROM THEIR PEOPLES AUTOMATIC ACCEPTANCE OF THE NATO CREDO, PARTICULARLY IN TIME OF ECONOMIC UNCERTAINTY.

39. TRUDEAU EXPRESSED SATISFACTION THAT THERE IS IN CANADA AT THIS TIME OVERWHELMING SUPPORT FOR COLLECTIVE DEFENSE, AND THIS HAS ALLOWED HIS GOVERNMENT TO INCREASE THE CANADIAN DEFENSE BUDGET BOTH LAST YEAR (12.5 PERCENT) AND THIS (11.5 PERCENT) THIS WAS POSSIBLY BECAUSE CANADIANS UNDERSTAND THE NEED FOR NATO.

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40. IN SUMMING UP, TRUDEAU SAID HE HAD COME TO THE
SUMMITTHREE REASONS: A) TO STATE CLEARLY AND
UNEQUIVOCABLY CANADA'S BELIEF IN THE CONCEPT OF
COLLECTIVE SECURITY, CANADA'S SUPPORT FOR NATO, AND
CANADA'S PLEDGE TO MAINTAIN A NATO FORCE LEVEL WHICH
IS ACCEPTED BY OUR ALLIES AS BEING ADEQUATE IN SIZE
AND EFFECTIVE IN CHARACTER. B) TO URGE THAT THE
ALLIES ACCEPT AS AN ESSENTIAL INGREDIENT OF CONSUL-
TATION THE CONTINUOUS CHALLENGING OF ALLIANCE TACTICS
AND STRATEGY. HE ADDED THAT UNLESS ALLIED GOVERNMENTS
ARE CONVINCED OF THEIR WORTH, THEY WILL BE IN NO
POSITION TO CONVINCE THEIR PUBLICS OF PARLIAMENTS.
TRUDEAU ASKED FOR MORE FREQUENT OPPORTUNITIES FOR

NATO HEADS OF GOVERNMENT TO MEET FOR CONSULATITION,
BECAUSE THE STRENGTH AND CREDIBILITY OF THE ALLIANCE
DEPENDS ON ITS POLITICAL AS MUCH AS ITS MILITARY
CHARACTER (SEE SEPTTEL). C) TO URGE THAT THE ALLIES
SO ORGANIZE THEM SELVES AS TO MOUNT AND SUSTAIN--PERHAPS
THROUGH CCMS AS SUGGESTED BY PRESIDENT FORD--A
CHALLENGE OF PEACE AND HUMAN DIGNITY TO THE WARSAW
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41. IN CLOSING, TRUDEAU EXPRESSED OPTIMISM THAT WESTERN GENIUS WILL OVERCOME THE PRESENT CHALLENGES.

42. NETHERLANDS: PRIME MINISTER DEN UYL STATED THE MAIN REASON BEHIND THE SUMMIT WAS TO "REAFFIRM OUR COMMITMENT TO THE VITAL AIMS OF THE ALLIANCE," WHICH HE DEFINED AS "DEFENSE, DETENTE, AND DEMOCRACY." CITING CONCERNS OF THE PRESIDENT AND CHANCELLOR SCHMIDT OVER FRAGMENTATION OF PUBLIC OPINION REGARDING NATO, HE SUGGESTED SUCH FRAGMENTATION AFFECTED DEFENSE MATTERS AND DEMOCRACY. THE REMEDY LIES IN CLOSE LINKAGE BETWEEN ALL THREE ALLIANCE AIMS.

43. IN BRIEF SURVEY OF ALLIANCE DEMOCRACY, DEN UYL RECALLED THE NETHERLANDS' WELCOMING OF RESTORATION CIVILIAN RULE IN GREECE LAST YEAR, EXPRESSED DEEP SATISFACTION WITH END OF DICTATORSHIP IN LISBON AND HOPED EVERYBODY "BOTH INSIDE AND OUTSIDE PORTUGAL" WOULD RESPECT RESULTS OF RECENT ELECTIONS THERE. HE REITERATED DUTCH OPPOSITION TO CLOSER NATO ASSOCIATION WITH SPAIN UNTIL AFTER A RETURN TO DEMOCRACY IN MADRID.

44. DEN UYL TOOK CAUTIOUS POSITION ON CSCE, ASSERTING SOVIETS WOULD HAVE TO MAKE MAJOR CONCESSIONS VERY SOON OR A STAGE III SUMMIT THIS SUMMER WOULD BE IMPOSSIBLE. HE THOUGHT IT WOULD BE WORTH THE TIME AND EFFORT TO CONTINUE NEGOTIATING IN GENEVA UNTIL SATISFACTORY RESULTS ARE ACHIEVED. DEN UYL CALLED FOR SUPPLEMENTING CSCE RESULTS WITH "AN AGREEMENT IN THE MILITARY FIELD" ON MBFR. HE REPEATED HIS EARLIER CALL FOR INTRODUCTION OF TACTICAL NUCLEAR WEAPONS IN MBFR.

45. LOOKING BEYOND NATO TREATY AREA, DEN UYL ALSO MADE A SPECIAL PLEA THAT INTERNATIONAL STABILITY AND SECURITY REQUIRED A MORE EQUITABLE RELATIONSHIP BETWEEN RICH AND POOR COUNTRIES AND UNDERSCORED IMPORTANCE OF FORTHCOMING SPECIAL ASSEMBLY OF THE UN.

46. ICELAND: ICELANDIC PRIME MINISTER HALLGRIMSON
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EXPRESSED SATISFACTION AT A SUMMIT LEVEL MEETING AND STRONGLY REAFFIRMED ORIGINAL GOALS OF THE ALLIANCE. HE CALLED FOR REALISM IN THE FIELD OF SECURITY AND FOREIGN AFFAIRS AND WARNED AGAINST EUPHORIA ENGINEERED BY THE PROCESS OF DETENTE. HE ADDED THAT EVER-INCREASING SOVIET NAVAL ACTIVITIES NEAR ICELAND DEMONSTRATED

THAT THE SECURITY OF ICELAND AS A "GUARD-POST" ON NATO'S NORTHERN FLANK, IS ALSO CLOSELY LINKED WITH THE DEFENSES IN CENTRAL EUROPE.

47. HALLGRIMSSON THEN ADDRESSED "THE MAIN POLICY OF HIS GOVERNMENT:" THE RATIONAL EXPLOITATION OF FISH STOCKS AND THE SENSIBLE ADMINISTRATION OF FISHING AROUND ICELAND. HE SAID THAT ICELAND WAS EXTENDING ITS FISHERY LIMITS, IN ACCORD WITH THE EMERGING CONSENSUS OF THE INTERNATIONAL COMMUNITY, TO A 200 MILE EXCLUSIVE ECONOMIC ZONE FOR COASTAL STATES, EVEN THOUGH THE LOS CONFERENCE HAD NOT YET CONCLUDED. HE EXPLAINED THAT THE NORTH ATLANTIC WAS MORE THAN A SECURITY PROBLEM FOR THE ICELANDERS; IT WAS THE VERY BASIS FOR ICELAND'S ECONOMIC SURVIVAL. WITHOUT SUCH AN EXTENSION, HE SAID, THE FISH WILL DISAPPEAR AND ICELAND'S PRIMARY MEANS OF LIVELIHOOD AND ITS ECONOMIC INDEPENDENCE WILL BE IN DANGER. HE CONTINUED THAT EC MEMBERS HAD HURT ICELAND BY RAISING TRADE BARRIERS; THROUGH FISH IMPORT DUTIES, AND BY UNFAIR SUBSIDIES TO ITS FISHING INDUSTRIES. HALLGRIMSSON THEN POINTED OUT THAT IF THE ALLIES COULD NOT SETTLE SUCH INTERNAL DISPUTES, THEY COULD NOT EXPECT MUCH SUCCESS WITH CONFLICTS OUTSIDE THE ALLIANCE. HALLGRIMSSON CONCLUDED THAT IF THE ALLIANCE IS TO FULFILL ITS OBLIGATIONS AND PURPOSE IT WOULD HAVE TO MEET THE EXPECTATIONS OF EACH MEMBER NATION FOR BOTH ECONOMIC WELLBEING AND EXTERNAL SECURITY.

48. FRANCE: FOREIGN MINISTER SAUVAGNARQUES OBSERVED THAT THE VALUE OF THE OTTAWA DECLARATION HAD NOT BEEN WEAKENED BY THE EVENTS OF THE PAST YEAR. HE SAID FRANCE SAW THE PRESENT ROLE OF THE ALLIANCE AS TWO-FOLD. FIRST, THE ALLIANCE CONTINUES TO BE THE "BREAKWATER" OF OUR COLLECTIVE SECURITY. FRANCE
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FOR ITS PART DOES NOT BELONG TO THE INTEGRATED MILITARY ORGANIZATION, BUT IS A FULL MEMBER OF THE

ALLIANCE, AND "INTENDS TO REINFORCE ITS EFFECTIVENESS." SECOND, THE BENEFICIAL ROLE OF THE ALLIANCE EXTENDS, NOT ONLY TO ITS MEMBERS, BUT TO THE WHOLE OF INTERNATIONAL RELATIONS. THE WEST IS A ZONE OF STABILITY. HE ADDED THAT THE CONSTRUCTION OF EUROPE WAS A PARTICULARLY POSITIVE FACTOR, NOT ONLY FOR ITS MEMBERS BUT EQUALLY FOR THE COHESION OF THE ALLIANCE. THUS, "ASSURED OF OUR SECURITY," ENGAGEMENT IN A POLICY OF DETENTE WAS POSSIBLE. RE CSCE, HE SAID THAT IT WILL FIND ITS TRUE POLITICAL SCOPE

TO THE EXTENT THAT ITS GREAT PRINCIPLES ARE TRANSLATED
INTO CONCRETE REALITIES.

49. SAUVAGNARQUES NOTED THE NEED FOR MAINTENANCE
OF THE DEFENSE EFFORT AND SOLIDARITY OF NATO
MEMBERS. HE EXPRESSED SATISFACTION WITH PRESIDENT
FORD'S STATEMENT, AND SAID FRANCE HAD NEVER DOUBTED
THE INTENTIONS OF THE U.S. GOVERNMENT AND PEOPLE
REGARDING ITS EUROPEAN ALLIES. EACH GREAT POWER HAS
GENERAL INTERESTS THROUGHOUT THE WORLD. BUT ITS
VITAL INTERESTS ARE CONCENTRATED ON A CERTAIN NUMBER
OF AREAS. THE DRAFT COMMUNIQUE, IN SAYING THAT THE
SECURITY OF EACH IS OF VITAL INTEREST FOR ALL, IS
EXTREMELY CLEAR: WHEN THE VITAL INTERESTS OF A
COUNTRY ARE AT STAKE, EVERYONE, FRIEND OR POTENTIAL
ADVERSARY, KNOWS THAT IT WILL USE ALL OF ITS MEANS
TO PROTECT THEM. HE OBSERVED THAT LAST WEEK THE
FRENCH MOD ANNOUNCED THE GOF DECISION TO INCREASE
ITS DEFENSE BUDGET.

50. SAUVAGNARGUES REFERRED TO THE AGREEMENT AT
OTTAWA ON CONSULTATIONS. HE SAID THAT CONSULTATION
MAY TAKE DIVERSE FORMS, BUT SHOULD BE INSPIRED BY
THE PROFOUND SENTIMENT THAT WE ARE ENGAGED IN THE
SAME DESTINY. HE JOINED THOSE WHO HAD EXPRESSED
THE WISH THAT THE MEETING SERVE TO BRING TOGETHER
THE VIEWPOINTS OF TWO ALLIES WITH WHOM WE ARE ALL
UNITED BY FRIENDSHIP. HE ADDED THAT THE ALLIES

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SHOULD ONLY BE ON GUARD AGAINST GIVING THE ALLIANCE
RESPONSIBILITIES WHICH DO NOT BELONG TO IT. TO ACT
OTHERWISE WOULD RISK WEAKENING ITS AUTHORITY IN ITS
OWN DOMAIN.

NOTE BY OC/T: PASSED ALL NATO CAPITALS.

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INFO OCT-01 ISO-00 SSO-00 NSCE-00 INRE-00 CCO-00 PASS-00

PM-03 NSC-05 SP-02 SS-15 CIAE-00 INR-07 NSAE-00

DODE-00 PRS-01 SAJ-01 ACDA-05 EB-07 OMB-01 TRSE-00

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51. DENMARK. PRIME MINISTER JORGENSEN, CALLING THE SUMMIT AN IMPORTANT MANIFESTATION OF ATLANTIC SOLIDARITY, SAID THAT DESPITE SOME DEFICIENCIES THE ALLIES HAVE SUCCEEDED IN ESTABLISHING A REMARKABLE DEGREE OF MUTUAL POLITICAL CONFIDENCE. HE SAID THAT THE AMERICAN COMMITMENT TO THE DEFENSE OF WESTERN EUROPE HAS NEVER BEEN IN DOUBT IN DENMARK AND IS FUNDAMENTAL TO THE SECURITY OF WESTERN EUROPE AND NORTH AMERICA AND FOR THE INTERNATIONAL COMMUNITY. FURTHERMORE, JORGENSEN SAID, ATLANTIC SOLIDARITY ALSO CONTINUES TO BE THE POINT OF DEPARTURE FOR EFFORTS TOWARD DETENTE BETWEEN EAST AND WEST.

52. BY REAFFIRMING SOLIDARITY WITHIN THE ATLANTIC COMMUNITY, JORGENSEN SAID, ALLIES ALSO REAFFIRM THEIR DEDICATION TO THE BASIC VALUES AND ATTITUDES WHICH NATO WAS CREATED TO DEFEND: PRESERVATION OF MEMBERS' INDEPENDENCE, AND PRESERVATION OF OUR CONCEPT OF FREE SOCIETY.

53. JORGENSEN THEN SPOKE OF THE NECESSITY TO MAINTAIN A SUFFICIENT MILITARY DEFENSE EFFORT AND OF THE IMPORTANCE OF NOT OVERLOOKING THE ECONOMIC AND SOCIAL ASPECTS AS WELL.

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54. PRIME MINISTER THOUGHT SIGNS OF DISAGREEMENT WITHIN THE ALLIANCE IN MANY CASES ARE NOTHING BUT SIGNS OF THE WAY IN WHICH FREE SOCIETIES OPERATE.

55. ON SPAIN, JORGENSEN SAID HE GREATLY APPRECIATED THE DETAILED WAY IN WHICH THE U.S. HAS CONSULTED, THUS GIVING ALLIES AN OPPORTUNITY TO EXPRESS THEIR VIEWS, TOO. THE SUBJECT HAVING BEEN

BROUGHT UP, HE WISHED TO REPEAT THAT DENMARK, LIKE ALL ALLIES, IS INTERESTED IN SEEING A PROCESS DEVELOP IN SPAIN TOWARDS DEMOCRACY. HOWEVER, THE ESTABLISHMENT OF A SPECIAL RELATIONSHIP TO THE PRESENT REGIME IN SPAIN WOULD NOT BE ACCEPTABLE TO DENMARK AND WOULD IN HIS VIEW NOT FURTHER THAT PROCESS.

56. CONCERNING CSCE, JORGENSEN PRAISED COOPERATION WITHIN THE ALLIANCE. RECENT DEVELOPMENTS APPEAR VERY PROMISING. HE HOPED THE COMING WEEKS WILL ADVANCE THE WORK OF PHASE II SO THAT PHASE III CAN OCCUR AT THE HIGHEST LEVEL THIS SUMMER.

57. LUXEMBOURG: PRIME MINISTER THORN SAID HIS COUNTRY HAD NO DOUBTS ABOUT THE US COMMITMENT TO EUROPE, BUT NEVERTHELESS WELCOMED WHAT PRESIDENT FORD HAD SAID. THORN SPOKE OF THE NEED FOR ALLIED GOVERNMENTS TO CONVINCE THEIR PUBLICS OF THE IMPORTANCE OF NATO.

58. THORN ADDED HIS CONGRATULATIONS TO THE NEW PORTUGUESE AND GREEK GOVERNMENTS. HE AGREED WITH PRESIDENT FORD'S STATEMENT THAT COMMITMENTS TO THE ALLIANCE SHOULD BE WITHOUT QUALIFICATION. CONCERNING THE PRESIDENT'S REMARKS ON THE IMPORTANCE OF CONSULTATION, THORN AGREED SIGNIFICANT IMPROVEMENTS WERE POSSIBLE, THAT CONSULTATION SHOULD BE A TWO-WAY STREET, AND THAT IT SHOULD OCCUR IN TIMES OF CALM AS WELL AS DURING CRISES.

59. BELGIUM: PRIME MINISTER TINDEMANS STRESSED THE IMPORTANCE OF THE PRESIDENT'S REAFFIRMATION OF TRANSATLANTIC SOLIDARITY. HE SAID BELGIUM STRONGLY SUPPORTS THE PRESIDENT'S SIX TASKS WHICH CAN BE A BASIS FOR LOOKING AT THE FUTURE. IT WILL BE A LONG TERM STUDY; ITS PURPOSE IS TO ADJUST THE ALLIANCE TO FUTURE REQUIREMENTS. IN THIS SENSE TRUDEAU'S
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PROPOSAL FOR PERIODIC HEADS-OF-GOVERNMENT CONSULTATIONS IS RELEVANT. TINDEMANS HAD THREE IDEAS TO MENTION. FIRST, AS SCHMIDT SAID, ECONOMIC AND POLITICAL DIFFICULTIES MUST NOT DESTROY THE COLLECTIVE DEFENSE THAT MAKES DETENTE POSSIBLE. SECOND, IT IS IMPORTANT TO ADAPT EUROPE'S ROLE TO THE ALLIANCE. EUROPE MUST HAVE THE COURAGE TO REAFFIRM ITS INTERNAL COHESION TO SOLVE INTERNAL PROBLEMS. THIRD, HE AGREED WITH THE PRESIDENT'S APPEAL FOR STRENGTHENING DEMOCRATIC INSTITUTIONS.

60. FUTURE RELATIONS BETWEEN SPAIN AND NATO ARE LINKED TO THE EVOLUTION OF DEMOCRACY IN THAT COUNTRY.

61. ON CSCE, TINDEMANS SAID WE MUST DO THE MAXIMUM TO SUCCEED, ON CONDITION THE REMAINING ESSENTIAL POINTS ARE RESOLVED. IN MBFR NEGOTIATIONS, NATO MUST KEEP THE INITIATIVE. IT SHOULD ALSO UNDERTAKE AN IN-DEPTH STUDY OF TAC NUC REDUCTIONS. THE BELGIAN GOVERNMENT WONDERS WHAT STAGE THIS STUDY HAS REACHED.

62. SYG LUNS INVITED ADMIRAL HILL-NORTON TO REPLY TO THE BELGIAN QUESTIONS ON MBFR NEGOTIATIONS AND THE INTRODUCTION OF OPTION 3. HILL-NORTON BRIEFLY REVIEWED MBFR HISTORY SINCE OCTOBER 1973, NOTING THAT THE ALLIANCE POSITION IS GENERALLY SATISFACTORY. HE WAS SOMEWHAT CONCERNED, HOWEVER, AT NATO BEING ON THE VERGE OF GIVING AWAY IMPORTANT CARDS BEFORE IT WAS NECESSARY. HE EXPLAINED OPTION 3, NOTING THAT IT CALLS FOR INTRODUCING SOME NUCLEAR ELEMENTS, INCLUDING US AIRCRAFT AND GROUND-TO-GROUND MISSILES.

63. SECRETARY-GENERAL'S SUMMATION: IN SUMMING UP, LUNS NOTED THAT THE PRESIDENT HAD LED OFF WITH AN IMPRESSIVE STATEMENT WHICH EMPHASIZED US SOLIDARITY WITH OTHER MEMBERS OF NATO.

NOTE BY OC/T: PASSED ALL NATO CAPITALS.

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INFO OCT-01 ISO-00 SSO-00 NSCE-00 INRE-00 CCO-00 PASS-00

PM-03 NSC-05 SP-02 SS-15 CIAE-00 INR-07 NSAE-00

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ALL OTHER DELEGATIONS REPLIED IN THE SAME VEIN. THERE WAS UNANIMITY VIEW THAT COLLECTIVE DEFENSE IS THE BASIS FOR SECURITY AND FURTHER STRENGTHENING IS NECESSARY. SOME LEADERS EMPHASIZED NEED FOR MORE STANDARDIZATION AND RATIONALIZATION. THE PRESIDENT MENTIONED THE LINKAGE OF SPAIN TO WESTERN DEFENSE. NOT ONE DELEGATION DENIED THE UTILITY OF US-SPANISH DEFENSE ARRANGEMENTS FOR THE ALLIANCE. THERE WAS A GENERAL SENSE THAT THE POSSIBILITY OF CLOSER SPANISH ASSOCIATION FIRST REQUIRED A DEMOCRATIC EVOLUTION WITHIN SPAIN LEADING TO CONFORMITY WITH ARTICLE II OF THE TREATY. ON EAST-WEST DETENTE, ALL AGREED THAT NATO SHOULD CONTINUE TO WORK IN COHESION ON CSCE AND TO STRIVE FOR BALANCED REDUCTIONS IN MBFR. PROGRESS IN MBFR IS NECESSARY IF DETENTE IS TO ENDURE. THERE IS A NEED FOR STUDY ON OPTION 3. CONSULTATIONS AMONG ALLIES MUST BE HARMONIZED AND DEEPENED ON POLICIES IN MANY FIELDS. REGARDING THE ECONOMIC SITUATION, HE HAD NOTED SCHMIDT'S PENETRATING REMARKS. ALL TOOK CAREFUL NOTE OF THE REMARKS OF THE GREEK AND TURKISH PRIME MINISTERS WHICH WERE ENCOURAGING. THERE WAS GENERAL AGREEMENT
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THAT THEIR DISPUTE WAS HARMFUL NOT ONLY TO THE TWO COUNTRIES BUT FOR NATO AS A WHOLE. THE REMARKS OF THE PORTUGUESE PRIME MINISTER ABOUT HIS COUNTRY'S INTENTION TO REMAIN IN NATO AND TO ENCOURAGE THE EVOLUTION OF DEMOCRATIC INSTITUTIONS WERE WELL RECEIVED. MOST LEADERS STRESSED THE IMPORTANCE OF PUBLIC SUPPORT FOR THE ALLIANCE. LEADERS AGREED TO REFLECT ON THE UTILITY OF PERIODIC MEETINGS.
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NOTE BY OC/T: PASS ALL NATO CAPITALS.

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